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OFFICE MEMORANDUM

UNITED STATES GOVERNMENT

TO : THE DEPUTY DIRECTOR

DATE: 10 October 1950

FROM : [REDACTED]

SUBJECT: Plan for a CIA Office of Estimates

1. Pursuant to your oral instructions given on 7 October we submit, in Enclosure A, an outline plan for a CIA Office of Estimates.

2. The end in view cannot be accomplished by reorganization within CIA alone. Successful implementation of this plan will require complementary action to ensure adequate research support by the departmental agencies and a cooperative attitude in the process of final coordination of estimates. The plan should not be put into effect until these requirements have been reasonably met.

3. Details of the structure and strength of the Office of Estimates will depend to a considerable extent on the composition and capabilities of the proposed Office of Research, as well as upon the degree of research support which can be reasonably expected from the departmental agencies, especially OIR. Consequently the elaboration of Enclosure A should be deferred until these matters are sufficiently clarified to afford a sound basis for further planning.

4. Some concrete problems which will arise in the course of reorganization with CIA and related negotiations with the IAC agencies are set forth in Enclosure B.

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x G. L. Smith, Director



This document has been
approved for release through
the HISTORICAL REVIEW PROGRAM
of the Central Intelligence Agency

Date 1-18-91

HRP 89-2

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ENCLOSURE A

ROUGH PLAN FOR AN OFFICE OF ESTIMATES

This plan is based on the concepts held in 1945-46 and more recently set forth in the Dulles Report, NSC 50, and the "Webb Proposals". One point must be made absolutely clear however, in order to avoid the patent defects of a joint committee system. It must be understood by all concerned that the Director at his level and the Assistant Director at his, having heard all the pertinent evidence and argument, have a power of decision with respect to the form and content of the estimate, other interested parties retaining the right to record divergent views when these relate to substantial issues and serve to increase the reader's comprehension of the problem, and then only.

The plan also presupposes:

- a. The establishment of a Research Office in CIA to provide intelligence research reports in fields of common concern (e.g., scientific, economic, geographic).
- b. Action to make sure of the availability of research support from the departmental agencies adequate to meet the requirements of the Estimates Office as to both timeliness and content. This condition cannot be met at present.
- c. The recruitment of requisite senior personnel as rapidly as possible. The contemplated Office cannot be adequately manned with personnel now in CIA.
- d. Thorough indoctrination of the IAC agencies in the new, cooperative concept, and a new start in relations with them. Initiation of the plan in the atmosphere which now exists would very probably be taken by them as an opportunity to impose on the partly imaginary CIA with which they have long contended. This plan will not work except on a basis of mutual confidence and cooperation in the national interest.

ORGANIZATION AND FUNCTIONS

Office of the Assistant Director

Assistant Director and Deputy Assistant Director
 Coordination and Liaison Staff
 Administrative Staff

10 CDRs

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Coordination and Liaison Staff (For supporting argumentation see the Annex to this Enclosure.)

A. Composition.

1. One full-time representative each designated by the IAC representatives of State, Army, Navy, and Air Force respectively.
2. A similar representative of the CIA research office (or part-time representation of each of its major components?).
3. CIA Staff Assistant, NSC Staff
4. A similar CIA representative with OSD and JIG
5. Executive secretariat.

B. Functions

1. In general, to represent the interest of their respective agencies in the Estimates Office, and the interest of the Estimates Office in their respective agencies.
2. Specifically, to assist the Assistant Director in:
 - a. Developing the estimates production program.
 - b. Formulating the terms of reference for particular estimates.
 - c. Formulating requests for research support and obtaining prompt and effective compliance therewith.
 - d. Reviewing the estimates produced prior to their submission to the Director and the IAC.
 - e. Securing IAC concurrence, or at least the formulation of dissent in the light of joint consideration.

Administrative Staff

Personnel, fiscal, and administrative services.

Receipt and dissemination services.

Reproduction services.

Current Intelligence Division

Production of the Daily Summary

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Editing and publishing of other periodical reviews.
 Custody of sensitive material.
 Maintenance of situation room.
 Maintenance of off-hours watch.

Five Regional Divisions: American, North Atlantic, East European, Southern, and Far Eastern.

A. Composition

1. Senior analysts well qualified by aptitude and experience for critical appraisal of current information and research data, for the perception of emergent trends, and for interpretation of the significance of current or anticipated developments. While every sort of expertise — political, economic, military, and area — should be represented, the emphasis should be on appreciation of the effect of all factors in combination.
2. Integral research support for these senior analysts, to assist them by keeping track of current developments, organizing research data from various sources, doing leg work, and drafting under their direction.

B. Functions

1. Surveillance of the developing situation, consultative guidance of the Current Intelligence Division, and the initiation of research projects and of estimates as required.
2. Production of estimates falling within Divisional competence.
3. Provision of appropriate expert participation in task groups formed to produce estimates of broader scope.

Functional Division

Provision of expertise (e.g., scientific, economic, geographic) as required on a functional rather than regional basis.

General Division

A very few analysts of broad competence rather than particular specialization, to concern themselves with the inter-relationship of developments falling within the cognizance of two or more divisions and to provide leadership for task groups set up to deal with such problems.

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HYPOTHETICAL CASE

(This is intentionally a rather complicated case. Most cases could probably be handled more simply, by the same basic procedure, but with fewer stages.)

1. Need for an intelligence estimate arises in relation to a problem before the NSC Staff.
2. Requirement communicated to Assistant Director by CIA Staff Assistant, NSC Staff.
3. Requirement considered by Assistant Director in consultation with appropriate members of Coordination & Liaison Staff and chiefs of Divisions concerned. These consultants assist him in:
 - a. Formulating a statement of the problem and of the nature and scope of the response required.
 - b. Determining whether the requirement can be met from information already on hand, or whether specific research support is required.
 - c. Formulating requisitions for research support.
 - d. Ensuring prompt and effective response to such requisitions by their respective agencies.
 - e. Forming an appropriate task group within the office to produce the required estimate.
4. Executive Secretariate records decisions taken pursuant to foregoing consideration and sees to their execution.
5. Task group makes direct contact with research agencies with respect to research required.
6. Research contributions received and reviewed by task group, which may directly require explanation, elaboration, or justification of departmental findings, reporting to the Assistant Director if not satisfied.
7. Satisfactory research support having been obtained, task group proceeds to develop integrated estimate.
8. Draft estimate submitted to Assistant Director for review in consultation with task group and appropriate members of Coordination & Liaison Staff.
9. Draft estimate either tentatively adopted or referred back to task group for revision to meet shortcomings.
10. IAC reactions to estimates tentatively adopted by

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Assistant Director obtained through C & L Staff. At this stage it is the function of these officers personally to explain and if possible justify CIA estimate to their respective principals.

11. Final review of estimate by Assistant Director and C&L Staff with consideration of IAC reactions.

12. Estimate formally submitted to Director as agreed, or with notation of prospective dissents as developed in joint discussion.

13. Review of estimate by Director with IAC and final action thereon.

14. Publication of estimate as adopted by Director with notation of any final dissent.

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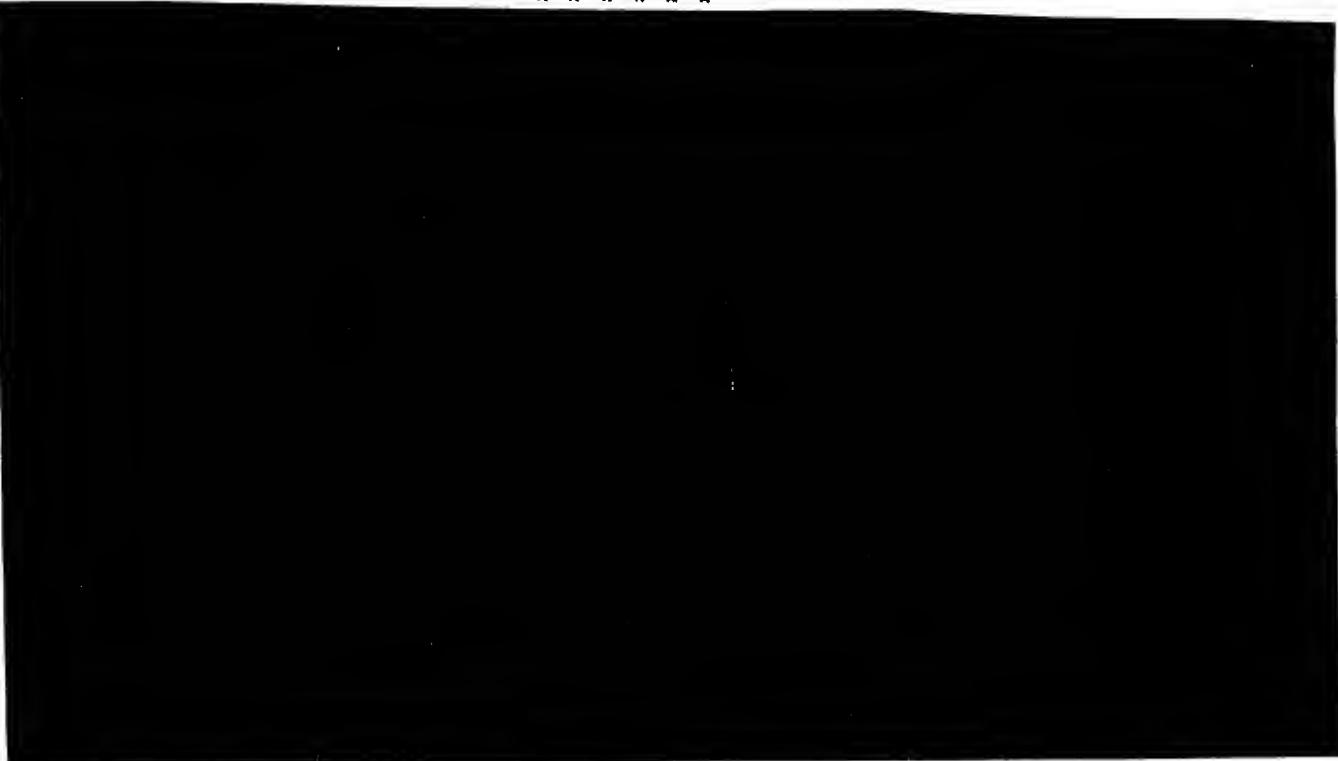
ANNEX TO ENCLOSURE A

IAC REPRESENTATION IN THE PROPOSED
COORDINATION AND LIAISON STAFF

The concept of IAC representation within the proposed Office of Estimates is difficult to convey and has previously been rejected on theoretical grounds. It has, however, worked in practice, [REDACTED] in the wartime US JIC. The present lamentable state of inter-agency coordination is in large measure a consequence of the subordination of practical cooperation to abstract and theoretical considerations and ultra-formal procedures.

The following excerpt from a memorandum of 15 April 1947 may serve to explain and justify the concept. Certain out-of-date references must be excused inasmuch as time was not available for revision in contemporary terms. The basic argument is no less valid in present circumstances.

* * * * *



2. The U.S. J.I.C. The relationship of the senior members of the U.S. J.I.S. to their principals has never been such as to permit them to function [REDACTED]. Although the J.I.S. acts jointly in the preparation of estimates, taking

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into consideration the views of appropriate departmental specialists, all important estimates must be passed upon directly and personally by the J.I.C. members (the chiefs of the departmental intelligence agencies), who normally act separately through a procedure called "informal action" because it is in lieu of a J.I.C. meeting. Actually "informal action," which consists of signifying concurrence or dissent by completing and returning a written form, is a substitution of formal, departmental action for joint consideration. Although its purpose (to protect agency heads from loss of time in needless meetings) is the same [redacted]

[redacted] On the contrary it is rigid and formal in the extreme, greatly hindering joint action and substituting therefor action from an essentially departmental point of view. It suffices with respect to papers which are essentially a mere clipping together of departmental estimates, but breaks down whenever there has been a real exercise of judgment in joint consideration of the subject. J.I.C. decisions reached by this process tend to be, not joint intelligence, but the highest common denominator of departmental intelligence in which any points at issue are glossed over or entirely omitted from consideration.

3. The essentials of an effective procedure. From the experience of the U.S. [redacted] the essentials of an effective procedure may be deduced. They are:

- a. That the system be based on direct and informal consultation to the maximum practicable degree, with a minimum of procedural formality and indirection.
- b. That coordination with each departmental agency be accomplished through an officer permanently and exclusively charged with that function, directly responsible to the chief of that agency and authorized, on due consultation, to express concurrence or dissent in his name.
- c. That each such representative, although necessarily a person of broad experience in strategic appreciation rather than a specialist in any particular subject, be competent and authorized to enter into substantive discussion and to exercise substantive judgment.
- d. That each such representative have direct and informal access to the chief of the agency represented by him and to its substantive specialists.
- e. That each such representative participate directly in the final formulation of the estimates to be coordinated, so that he may not only represent therein the departmental point of view, but also represent, in departmental consideration of the estimate, the joint (or central) point of view.

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4. C.I.G. Administrative Order No. 3. Simultaneously with the drafting of N.I.A. Directive No. 1 it was planned to meet the requirement of paragraph 6 therein by providing in the Central Reports Staff an agency for the determination of departmental concurrence or dissent in conformity with the principles indicated above. This plan was formulated in C.I.G. Administrative Order No. 3 (Revised), paragraph 3, which follows in abbreviated form:

3. One Assistant to the Chief, C.R.S., shall be designated by each permanent member of the Intelligence Advisory Board. In distinction from other C.R.S. personnel ... these Assistants shall be assigned to the offices of the permanent members of the I.A.B. and responsible to them, although detailed to serve full time with the Chief, C.R.S. They shall:

a. Represent the interests of their respective members of the (I.A.B.) in the operations of the (C.R.S.).

b. Represent the (C.R.S.) in its relations with their respective agencies.

c. Assist the Chief, C.R.S. in: (1) The formulation of directives to the subdivisions of C.R.S. and of requests upon departmental agencies for essential information; (2) The review of summaries, estimates, and studies prepared by the subdivisions of C.R.S....

This concept had been explained to the members of the I.A.B. and the provision of such personnel had been agreed to by them when the draft of N.I.A. Directive No. 2, Appendix "A", was before them for consideration. The plan was never put into effect, however, because the C.R.S. never reached the stage of producing estimates.

5. C.I.G. Administrative Order No. 32. The language of C.I.G. Administrative Order No. 32 does not preclude the establishment of an effective system of coordination, but neither does it describe such a system and require its implementation.

The actual implementation of this Order to date constitutes the most formal, indirect, cumbersome, and inefficient procedure ever devised for the purpose. This situation is obviously attributable to the fact that, in this context, the interest of the departmental intelligence agencies is essentially negative, to prevent any action possibly prejudicial to them, rather than positive, to contribute toward and expedite the production of acceptable central intelligence estimates.

The actual practice under C.I.G. Administrative Order No. 32 stands in contrast to the essentials of an effective procedure indicated in paragraph 3 as follows:

a. It is extremely indirect and formal. In general,

the officers designated by the members of the I.A.B. pursuant to the Order act only to transmit written memoranda without concern to understand and influence the substance and reasoning of either C.I.G. estimates or departmental comment thereon. In consequence they constitute a barrier to the true coordination of divergent (or only apparently divergent) interpretations.

b. The function of these officers with respect to C.I.G. is incidental to other, departmental duties. None of them feels any responsibility for a constructive contribution to central intelligence.

c. Whether or not these officers are competent to enter into substantive discussion, they will not do so. They function only as post offices for the transmission of papers between C.I.G. and departmental specialists. In this they constitute a barrier to the direct discussion of points at issue and possible reconciliation of apparently opposing views.

d. In general these officers communicate with the chiefs of the agencies they represent and with its substantive specialists only through written memoranda (at least so far as the subject of this paper is concerned). Being thus uninformed regarding the reasons for a departmental dissent, they obviously cannot discuss the issue or even explain the dissent, but can only transmit it as they have received it.

e. These officers have rarely, if ever, visited ORE, much less participated in the preparation or review of C.I.G. estimates. Consequently they are incapable of presenting the C.I.G. point of view or even of interpreting a C.I.G. draft to their principals or to the departmental specialists concerned. For lack of discussion with anyone qualified to inform them on these points, departmental specialists often base their formal comments on misconceptions or address them to issues that could have been resolved in a moment of informal discussion.

The existing procedure is not only an obstacle to the true coordination of intelligence through substantive consultation and agreement, but it also entails unacceptable delay in the publication of completed C.I.G. estimates. For specifications on this latter point see the Appendix. Even with the most thorough prior coordination on the working level two to three weeks are required to obtain final action through the departmental representatives designated under C.I.G. Administrative Order No. 32. The average time required for this purpose is 17 days. Experience has shown that resort to the escape

clause in paragraph 4 of the Order produces more difficulties than it avoids.

6. Conclusions.

a. That the existing procedure for the final coordination of C.I.G. estimates with the departmental agencies hinders substantive agreement and entails unacceptable delays.

b. That the procedure for that purpose should conform to the specifications in paragraph 3 above.

c. That the members of the I.A.B. should be requested to detail to the Projects Division of the Intelligence Staff, ORE, full-time representatives qualified and authorized to function in conformity with paragraph 3 above.

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ENCLOSURE B

CONCRETE PROBLEMS INVOLVED IN TRANSITION

1. Composition of the Office of Research

The scope of this Office is still undefined. It is to conduct research, as a service of common concern, on any matters which are agreed to be appropriate. Presumably it would include the present OSI and OCD and the NIS, Map, Economics, Transportation, and General Divisions of ORE, and the Economics Branch, D/EE, ORE.

At present all agencies are licensed to do economic intelligence to whatever extent they may please. Is all basic economic intelligence research to be centralized in CIA? That would seem advisable, but may encounter resistance from the IAC agencies.

CIA now subsidizes a considerable amount of basic departmental research in support of the NIS program. There has been some demand that this research be done within CIA. If this work should be assigned to the Office of Research it would require a tremendous increase in its capabilities.

Should responsibility for intelligence support of the psychological warfare program reside in CIA or in State? It is a research function of common concern with high political content.

The same question arises with respect to international communism. In ORE responsibility with respect to that subject resides in a special Branch of D/EE with ramifications in other Divisions. A similar set-up exists in OIR. The Service agencies take a lively interest in the subject, which is a matter of common concern, though wholly political..

2. Miscellaneous services by ORE Divisions.

Assuming the disappearance of the political research capabilities of the ORE Divisions, who will perform certain miscellaneous services now performed by them, such as:

- a. Provision of direct intelligence support to OO, OSO, and OPC?
- b. Evaluation of OO and OSO reports?
- c. Briefing and debriefing MA's, etc.?

These are primarily research functions, not appropriate to

the proposed Office of Estimates and unlikely to be assumed (or efficiently performed) by OIR.

3. Departmental research support for Estimates Office

The departmental intelligence agencies, as they stand today, cannot be relied upon to provide timely and adequate research support for the Office of Estimates. On the contrary, their failure in this respect is predictable. The heads of these agencies may readily accept this responsibility without comprehension of what it entails on their part. Before putting into effect this re-organization, which they desire, CIA should require of them positive action within their own agencies to make sure of their readiness to do their part.

This problem is particularly acute with respect to OIR. There it is commonly said that, in altered circumstances, OIR would give proper priority to the requirements of CIA. OIR, however, lacks the actual strength required to serve both State and CIA. Their idea is that they would be strengthened by surplus personnel from OEE, but that is problematical and in any case the integration of such personnel will present problems and take time.

4. A new IAC attitude toward coordination.

The new concept requires not only a new spirit of cooperation but also a common doctrine and understanding, hitherto lacking. In particular, IAC comprehension of the proposed procedure of coordination must be assured. Acceptance is not to be taken as necessarily equivalent to understanding.